

## Agenda

The 56th meeting of the Audit and Compliance Committee of the Scottish Funding Council

Date: 5 March 2020

Time: 10.00am

Venue: The Burns, Apex 1, 99 Haymarket Terrace, Edinburgh

### General business

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| 1. Chair's business                              | Oral         |             |
| 2. Declarations of interest                      | Oral         |             |
| 3. Minutes of previous meeting: 11 December 2019 | ACC/19/Min04 | To consider |
| 4. Matters arising                               | ACC/20/01    | To note     |

### Items for discussion: Regularity, compliance and risk

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|--|-----------|-------------|
| 5. Risk Register and Risk Management Strategy<br><i>This paper is withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.</i> | ACC/20/02 | To note     |
| 6. SFC's Assurance Framework   | ACC/20/03 | To note     |
| 7. Freedom of Information Annual Report 2019   | ACC/20/04 | To note     |
| 8. Whistleblowing and fraud annual update  | ACC/20/05 | To note     |
| 9. Review of SFC accounting policies   | ACC/20/06 | To note     |
| 10. University of Aberdeen Review Committee Report: Payment to the former Principal of the University of Aberdeen  | ACC/20/07 | To consider |

*This paper is published on the Council website and the attached reports are withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 36: Confidentiality.*

**Items for discussion: External audit**

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| 11. | SFC Management Report 2019-20<br><i>This paper is published on the Council website and the attached reports are withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.</i> | ACC/20/08 | To note |
| 12. | Audit Authority European Social Funds Audit<br><i>This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002; Section 30: Prejudicial to the effective conduct of public affairs.</i>  | ACC/20/09 | To note |

**Items for discussion: Internal audit**

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| 13. | Follow up of internal audit recommendations<br><i>This paper is withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.</i>  | ACC/20/10 | To note     |
| 14. | Internal audit reports<br><i>This paper will be published on the Council website and the attached reports will be withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 36: Confidentiality.</i>   | ACC/20/11 | To consider |
|     | 14.1 Workforce Planning   |           |             |
|     | 14.2 Progress report  |           |             |
| 16  | Internal Audit Strategy and 2020/21 Annual Internal Audit Plan with new internal auditors<br><i>This paper will be published on the Council website and the attached reports will be withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.</i> | ACC/20/12 | To consider |

**Items for discussion: SFC**

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| 15. | Annual agenda plan | ACC/20/13 | To consider |
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| 16. | Review of ACC draft annual evaluation questionnaires                  | ACC/20/14 | To approve  |
| 17. | Private meetings with internal and external auditors                  | Oral      | To consider |
| 18. | Committee's review of effectiveness of internal and external auditors | Oral      | To consider |
| 19. | Date of next meeting: 19 June 2020                                    |           |             |

## **Remit of the Audit and Compliance Committee**

1. The Committee will consider the SFC annual accounts and matters relating to the internal operations of the executive, in particular those relating to risk management, corporate governance, internal audit, external audit and compliance with legislation and regulation.
2. The specific duties of the Committee are listed under the headings below:

### **Effectiveness and financial control**

- Consider SFC's annual financial statements prior to submission to the Council.
- Review the effectiveness of the Council's financial and other control systems.
- Consider the Council's policies on whistle-blowing and fraud and irregularity.
- Monitor the Council's arrangements to secure VFM, whether these are made via internal or external audit or other means.
- Gain assurance through the internal audit process on the evidence used to measure and report on SFC's performance, including from the Performance Report and Outcome Agreement Guidance.

### **Risk management**

- Consider and advise the Council on the adequacy of the arrangements for the assessment and management of risk in relation to the achievement of SFC objectives, with particular regard to the Council's top-level register of risks.
- The Board monitors the Council executive's management of the top-level register of risks and the Audit and Compliance Committee only need undertake this role if requested by the Board. However, so that the Committee can properly fulfil its remit under the previous bullet point, it will receive a copy of the risk register at each meeting and may review specific risks in detail if it considers that to be necessary.

### **Internal audit**

- Consider and advise the Council on the annual and longer term operating plans for internal audit and the resourcing of the internal audit function to deliver these plans.
- Consider and advise the Council on internal audit reports and monitor the implementation of approved recommendations.
- Monitor the effectiveness of internal audit.
- Tendering and appointment of internal audit.

### **External audit**

- Consider planned external audit activity.
- Consider and advise the Council on external audit reports and, where appropriate, report to the Council any issues from the external audit of the Council, and any matter that the external auditors bring to the attention of the Committee.
- Monitor the implementation of approved recommendations.
- Monitor the effectiveness of external audit.

### **Legal and regulatory compliance**

- Consider and advise the Council on the adequacy of the arrangements for the management of the Council's compliance with legislation and regulation, focusing on data security, freedom of information and health and safety, and covering other aspects as part of the Committee's risk management responsibilities.
- Advise the Board on the financial impact of new accounting policies, changes to the Scottish Public Finance Manual and any new laws and regulations.
- Consider and advise the Council on amendments to the Management Statement and Financial Memorandum between SFC and Scottish Government.

### **Other**

- Consider and report to the Council any other matters remitted to the Committee by the Council.

3. The Committee is an advisory body with no executive powers. However, it is authorised by the Council to investigate any activity within its terms of reference, and to seek any information it requires from staff in the conduct of its enquiries. The Committee is authorised to obtain independent professional advice if it considers this necessary. The Committee should be mindful of the cost of such resources.